



**C.A. Pippy Park Commission
St. John's, NL**

2012/2013 ANNUAL REPORT

Submitted to:

Government of Newfoundland and Labrador

Department of Environment and Conservation

Honourable Tom Hedderson, Minister

Submitted by:

C.A. Pippy Park Commission

P.O. Box 8861

St. John's, NL

A1B 3T2

September 27, 2013

C.A. Pippy Park Commission

2012/13 ANNUAL REPORT

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CHAIRPERSON'S MESSAGE

On behalf of the C.A. Pippy Park Commission Board of Directors, I am pleased to present the Annual Report of the C.A. Pippy Park Commission for the fiscal year commencing April 1, 2012 and ending March 31, 2013. As Chairperson of the Board, my signature indicates the Board's accountability for the activities and results as reported throughout this document.

Let me begin by expressing my sincere thanks to our staff, our valued partners and the various volunteers who all contribute to the continued success of the Park. We value highly the continued assistance of the Provincial Government, in particular the Department of Environment and Conservation, for its financial and human resources support. Our valued partner, the City of St. John's, works cooperatively with Pippy Park by providing recreational activity programming and "in kind" contributions. Our dedicated board members provided thorough assessment and focused direction in all matters relating to policy formulation and Park management throughout the past fiscal year.

The C. A. Pippy Park Golf Course Limited is a subsidiary of the Commission. During this past year, staff continued to make improvements to its maintenance procedures and promotion of both the Admirals Green and Captains Hill Golf Courses. We continue to provide excellent banquet and lounge services at the Admirals Green Clubhouse.

During the operating season in 2012/13, various improvements were completed to enhance the public use areas of the Park. This included infrastructural activities such as the repair of park roadways, various campsite improvements, and the completion of interior work and lunch room space at the Golf Course maintenance facility. The Commission also undertook natural heritage projects such as completing its update of the biophysical resource inventory of the Park and its Geographical Information System (GIS) boundary data information.

The winter of 2012//13 saw the continued popularity of the Cross-Country Ski Program in the Park, with fully groomed cross-country ski trails located within the Pippy Park Campground facility as skiers enjoyed the groomed trails, equipment rental and instructional program offered by the St. John's Recreation Department assisted by the volunteer efforts of the Nordic Ski Club and the Outfitters Inc.

We, as Board Members, look forward to continuing our efforts to implement improvements to ensure Pippy Park remains a valued recreation and conservation area for generations to come.



**BERNIE HALLORAN,
CHAIRMAN FOR THE C.A. PIPPY PARK COMMISSION**

GOVERNMENT ENTITY OVERVIEW

VISION

The C.A. Pippy Park Commission is committed to managing the over 1,375 hectare land mass that comprises Pippy Park. These lands represent many of the characteristic natural features of the Province in the form of barrens, forests, rivers and wildlife habitats. The Park is also the venue for a diversity of institutional and community service land uses ranging in size from the expansive campus of Memorial University of Newfoundland and Labrador to diminutive community gardens. Thousands of people work, recreate, volunteer and visit Pippy Park daily throughout the entire year and the Park has evolved as the most identifiable natural landscape feature of the St. John's capital region. It is the primary vision of the Commission to ensure that this identity is maintained and enhanced into the future through efficient operation of its various commercial facilities and stewardship of the natural features inherited from the foresight that established the Pippy Park over four decades ago.

MANDATE

Mandate of the Commission

The Mandate of the C.A. Pippy Park Commission is derived from a combination of the *C.A. Pippy Park Commission Act*, the associated Regulations and the Park Master Plan:

"To maintain and manage its parklands to showcase the Provincial seat of government, provide recreational opportunities and protect their inherent heritage values."

The interpretation of this mandate is further defined through the contents of the Commission's Master Plan, which is reviewed every five years, as dictated by Section 26.1(2) of the *C.A. Pippy Park Commission Act*. Through this document, the Commission has traditionally identified the provision of recreational opportunities and the preservation of cultural and natural heritage as part of its mandate.

The primary activities of the Commission include:

- Managing and regulating its parklands, which includes the use, development, conservation, maintenance and improvement of public land in the Park, pursuant with the regulations of the Act and policies contained in the Master Plan.
- Regulating consumptive activities, such as construction, hunting, and wood cutting, within the Park.
- Managing and administering operating and capital budgets which entails revenue generation from commercial operations, the ability to borrow funds, the sale and leasing of property, and fulfilling grounds keeping contracts with its institutional partners.
- Operating the largest full service campground in the Province.
- Operating nine and eighteen-hole golf courses, driving range and banquet facilities.
- Providing recreational opportunities for park users and services to tourists visiting the capital city urban region.

-
- Preserving the cultural and natural heritage resources within the Park boundaries.

As the urban area around the Park has expanded since its establishment in 1968, so have the challenges for the Commission to balance institutional development, while providing adequate space for outdoor pursuits and the protection of its natural and cultural features.

LINES OF BUSINESS

Our lines of business include the following:

1. Management and Regulation of Property Development

The Commission manages the development and usage of public land contained within its boundaries through the review and approval of project submissions for development on public lands and in some circumstances undertaking direct development of properties for activities defined within its mandate. In addition, as a legislative entity, the Commission is responsible for the review and approval of development applications on private land located within the Park boundaries.

The Commission occasionally sells land it owns which is located outside the Park boundaries if the intended use falls within the parameters set out in the Master Plan and the C.A. Pippy Park Commission Act. These parcels are usually small in size and located in the vicinity of residential developments. Revenue generated from land sales, typically, is used to help offset operating and capital expenditures. Very few of these parcels of land remain within the ownership of the Commission.

2. Grounds Maintenance

Commission employees perform landscape maintenance for various public buildings contained within the Park boundaries, including the Confederation Building, Arts & Culture Centre, College of the North Atlantic and the Marine Institute. These activities include the maintenance of lawns and walkways, tree and flower planting and litter collection. This work is performed on a fee-for-service basis by Commission employees.



Grounds at the front of the East Block, Confederation Building

3. Pippy Park Campground

The Commission operates a 215 site campground facility nestled in a mature forested area on the north side of Long Pond. The facility offers primarily fully services campsites and attracts near full occupancy during the summer months. Commercial activities at the Campground include site booking and sales, convenience store and laundromat operation, and firewood sales. Park staff performs maintenance of the campsites and service buildings, as well as grounds keeping and security. The staff provides tourist information to the many out-of-Province campers who enjoy the facility. The campground operates seasonally from mid-May to the end of October.



Typical Campsite in the Pippy Park Campground

4. Golf Courses

The Commission, through its wholly owned subsidiary, the Pippy Park Golf Course Ltd., is responsible for managing and operating the eighteen-hole Admiral's Green and nine-hole Captain's Hill public golf courses. Management and administration services for these courses are provided directly by the Commission, for which a management fee is charged to the subsidiary. Commercial operations consist of the sale of green fees and the rental of clubs, equipment and carts and driving range. During the reporting period, the Commission, through its Golf Course subsidiary, terminated the leasing of its driving range to a private individual and assumed operation of the facility. Other sales are generated from canteen and snack cart operations, the pro-shop and lounge. Grounds keeping, fairway and greens maintenance, and servicing of equipment and facilities are performed by seasonal employees of the subsidiary.



View of Admirals Green Clubhouse

5. Banquet and Meeting Facilities Rentals

Commercial banquet and meeting room facilities are operated on a fee-for-booking basis by the Golf Course subsidiary. The services offered include full service banquet and meeting space for corporate groups, weddings and social events at the Admiral's Green Clubhouse. The popular Clubhouse can serve up to 130 sit-down guests and usually receives bookings year round.

Separate from Golf Course operations, the Commission rents the Northbank Lodge and the Mt. Scio House Boardroom for smaller meetings and events.

6. Property and Building Leasing

The Commission generates revenue from the lease of residential and other properties within the Park. These leases include: one residential property; the Campground Laundromat; and several properties to community service organizations located in the Park. Activities associated with these leases include the collection of payments, snow removal, and general maintenance.

NUMBER OF EMPLOYEES

The Commission employs seven full-time employees for administration and Park maintenance. During peak operations, the Commission employs up to forty employees, both seasonal and student staff, for grounds maintenance and operation of the Pippy Park Campground.

The subsidiary, C.A. Pippy Park Golf Course Ltd., employs an additional twenty eight employees to operate the seasonal golf operations and the Clubhouse year-round.

COMMISSION ADMINISTRATION

The Commission is a Crown Corporation under the laws of the Province of Newfoundland and Labrador. The Commission currently reports to the House of Assembly through the Hon. Tom Hedderson, Minister of Environment and Conservation.

The members of the Commission Board are responsible for the administration of the business of the Commission. The Chairperson assumes responsibility as the official head of the Commission in accordance with Section 8 of the C.A. Pippy Park Commission Act.

The Commission employs a small complement of administrative staff under the direction of an Executive Director. Commission staff are appointed under Section 13 of the C.A. Pippy Park Commission Act.

During the fiscal year 2012/13, the Commission operated primarily from revenue generated from its own operations totaling \$2,105,365 and a Provincial Government grant of \$579,000.

The financial year of the Commission is April 1 - March 31. The financial records of the Commission are maintained internally and are audited and reported on by the Provincial Auditor General.

BOARD of DIRECTORS

Members of the C. A. Pippy Park Commission Board are appointed in accordance with Section 4 of the C. A. Pippy Park Commission Act. During this reporting period, the following individuals served as members of the Commission:

Chairperson and Chief Executive Officer:

Mr. Bernie Halloran. Appointed by the Lieutenant-Governor in Council.

Vice-Chairperson:

Appointed by the Lieutenant-Governor in Council and remained vacant during the reporting period.

Government of Newfoundland and Labrador Representative:

Mr. Robert Constantine. Appointed by the Lieutenant-Governor in Council.

Memorial University Representative:

Mr. Keith Hiscock. Appointed by the Board of Regents of Memorial University of Newfoundland and Labrador.

City of St. John's Representative:

City of St. John's Representative:

Ms. Shannie Duff, Deputy Mayor. Appointed by the City of St. John's.

Pippy Family Representative:

Ms. Sharon Pippy. Appointed by the Lieutenant-Governor in Council to represent the Pippy Family.

Pippy Park Landowners and Residents Association (PPLORA) Representative:

Mr. Grant Hiscock. Appointed by the Lieutenant-Governor in Council.

Member at Large: Mr. Greg Healy. Appointed by the Lieutenant-Governor in Council.

PHYSICAL LOCATION

Park Geographical Area

The area of the Park is approximately 1343 hectares (3400 acres). The Park is strategically located within the City of St. John's and is comprised of the lands between the east side of Thorburn Road and the west side of Portugal Cove Road, and between the north side of Elizabeth Avenue and the south side of Windsor Lake (Figure 1)

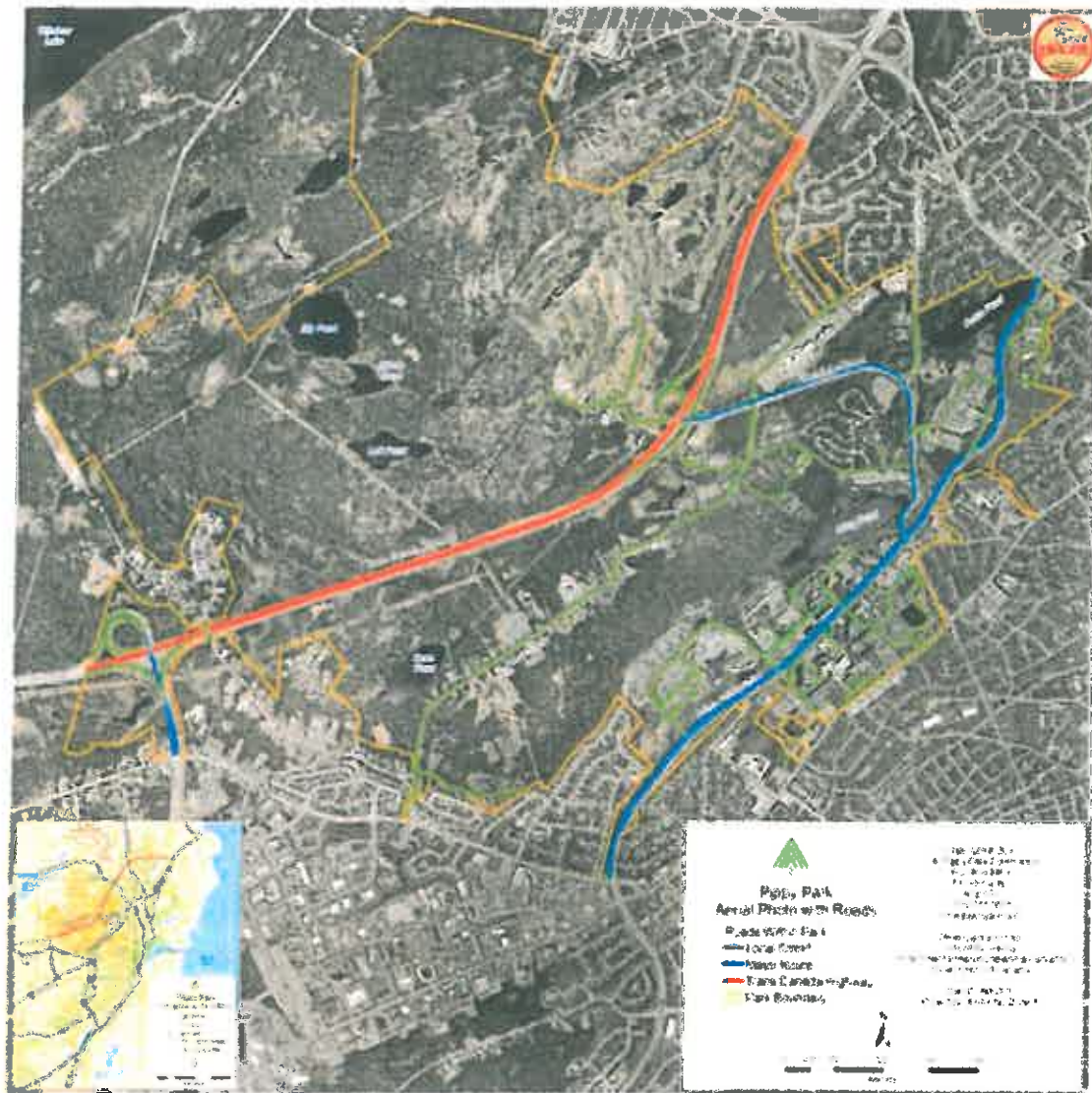


Figure 1: Boundary of Pippy Park

OTHER KEY STATISTICS

Permits

The Commission has a broad mandate of responsibilities and powers under its Act, including the power to issue permits regulating the development and improvement of both public and private property within the Park boundaries. Permits are issued in accordance with the C. A. Pippy Park Commission Act and in compliance with the Pippy Park Master Plan, Park by-laws and related policies. Examples include: improvements to private property; building and expansion of public facilities; construction of major roads and power corridors; and general improvements to public land and other property.

Commercial Properties

As of March 31, 2013, the Commission managed several commercial properties, operated on land within the Park. These facilities include: Mt. Scio House, which contains the administrative offices of the Commission; the former Headquarters Building, which is currently used for equipment storage; and the North Bank Lodge, which is rented as a meeting and social activity centre.

Residential Properties

As of March 31, 2013, the Commission managed four residential properties, only one of which was occupied by a tenant. In cases where the Commission purchases homes from private property owners, it assesses the value of these houses as potential rental units. Some of the residential units are suitable for short-term rental, thereby providing a source of revenue to support the operations of the Commission. Buildings purchased by the Commission which have no rental or heritage value, are demolished and the land is restored as close as possible to the original landscape.

Institutional and Community Service Facilities

The boundaries of Pippy Park contain a number of institutional, educational and community service facilities, most prominently the Confederation Building Complex, the combined campuses of Memorial University of Newfoundland and Labrador, the College of the North Atlantic, the Marine Institute, the Health Sciences Centre, and the St. John's Arts and Culture Centre.

Private Properties

As of March 31, 2013, 45 privately owned residences remain within the boundaries of Pippy Park. The Commission recognizes and encourages the right of the owners of these properties to enjoy the peace and contentment of living in the Park.

Scientific Research and Monitoring

The 3,400 acres of land comprising the Park continues to provide locations for scientific research and monitoring. During the past year scientists and researchers from Memorial University, the Canadian Wildlife Service, the Canadian Food Inspection Agency, the Memorial University Botanical Garden, the Nature Conservancy of Canada and others researched and monitored plant, avian and insect populations in the Park.



One of the many walking trails located within Pippy Park

SHARED COMMITMENTS

The following community service organizations are located within Pippy Park:

Fluvarium

Owned and operated by the Quidi Vidi/Rennies River Development Foundation, the Suncor Energy Fluvarium is a major attraction within Pippy Park and is one of the most popular tourist venues in the Province. Visitors to the Fluvarium can observe brown trout, Atlantic Salmon parr and other aquatic species through nine large underwater viewing windows into Nagle's Hill Brook as it flows by the building. The Fluvarium promotes education and environmental awareness for school groups, tourists and the general public.

St. John's Therapeutic Riding Association (Rainbow Riders)

This volunteer non-profit group operates a therapeutic horseback riding and animal care program for the benefit of physically and mentally challenged children. The facility is located on Mount Scio Road on property administered by the Commission. The Association participates in Provincial and National riding competitions.

Memorial University of Newfoundland and Labrador Botanical Garden

Memorial University operates the only botanical garden in the Province. The facility displays plants which are native to Newfoundland and Labrador and cultivated plants suitable to the local climate. The primary objective of the Garden is to stimulate public interest in the Province's natural history and to provide opportunities for education and research. The Garden provides a unique blend of horticulture and garden design throughout its colorful walkways and planting displays.

Autism Society of Newfoundland and Labrador (ASNL)

The Autism Society of Newfoundland and Labrador operates the Elaine Dobbin Centre for Autism at the Shamrock Farm facility located off Clinch Crescent near the Health Sciences Complex. This modern facility offers programs and support for individuals and their families affected by autism spectrum disorders.

Easter Seals of Newfoundland and Labrador

The Easter Seals organization is dedicated to providing support and services to children with disabilities. For many years Easter Seals operated an office in the former Pippy Park headquarters but operates now from its newly constructed facility, the Husky Energy Easter Seals House, located on Mount Scio Road.

YMCA of Northeast Avalon

Another strong community organization located in Pippy Park is the newly constructed Ches Penney Family Y. Situated on Ridge Road, it is a thoroughly modern facility offering numerous fitness and community service programs to the general public.

Sisters of Mercy Centre for Ecology and Justice

During the reporting period the Sisters of Mercy Congregation of St. John's has continued to offer programs and services for youth participants at its renovated headquarters located on Mount Scio Road.

MacMorran Community Gardens

Located on Mt. Scio Road, The MacMorran Community Gardens offers vegetable growing plots to the public. The Garden is sponsored by the MacMorran Community Centre and its primary aim is to provide garden space for the production of local vegetables for the use of residents who patronize the Centre. During the reporting period, the community garden continued to operate during May to October.

Friends of Pippy Park

This volunteer group is made up of private citizens that support and use the Park. The focus of the group consists mainly of organizing environmental programs such as Children's Gardening and Park Clean-ups. Its representatives sponsor work and research projects; serve on Park advisory committees; and promote the Park generally through various public programs. The Friends also organize summer and winter festivals; public lectures; and distribute information pamphlets about the Park.

Grand Concourse Authority (GCA) Trails

The Park contains a variety of hiking, walking, and cross country ski trails that connect areas of the Park with the City of St. John's and the surrounding area. The trails provide opportunities for wilderness hiking in the Three Pond Barrens or easy walking along the hardened trails at Kent's Pond, Long Pond and Rennie's River. There are also cross-country ski trails and a skiing program delivered by the City of St. John's Recreation Department. The many trails afford an opportunity to observe a variety of birds, animals and plants in their natural habitat.

The majority of the trails in the Park were developed in partnership with the Grand Concourse Authority (GCA) and the City of St. John's. These trails are maintained by the GCA.

These organizations have contributed much to the community at large and, more specifically, to their individual clienteles over the years. Whether it is interpreting freshwater ecosystems or providing recreation for children with disabilities, these entities enjoy the natural and peaceful venues which the Pippy Park Commission is pleased to offer to each and every one of its community partners. While these organizations do not directly generate revenues for the Commission, they do contribute substantially to the mandate and goals for which Pippy Park was established. Some examples of their contributions include the following:

- Both the Fluvarium and the MUN Botanical Garden present for the public the striking variety and beauty of the natural environment that is characteristic of Pippy Park. The freshwater resources, vegetation, and wildlife features of the Park are promoted and interpreted for both residents and tourists who visit the Park.
- Tourist attractions, such as the Fluvarium and the Botanical Garden, act as an incentive for increasing Pippy Park Campground use by both resident and out of Province visitors. Visitors to the campground expend hundreds of thousands of dollars annually on services and facilities while in the St. John's area.
- The Rainbow Riders, the Autism Society and the Easter Seals organization all illustrate that Pippy Park is a place where caring for and serving those with disabilities can occur in a safe and stimulating outdoor environment. The physical activities that are so important to the overall programs offered by these organizations can be planned and operated all within the managed lands of the Park.

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- The numerous trails maintained by the Grand Concourse Authority and the new YM-YWCA facility both contribute significantly to the recreational and physical activity needs of the citizens of the northeast Avalon region - many of whom work in and visit Pippy Park daily.
 - The Friends of Pippy Park, through their advocacy work, ensure that the public is kept aware of the values of the Park both as a place for recreation and ecosystem sustainability.

The Pippy Park Commission anticipates a continued positive relationship with these organizations over the course of the next year as well as many more years to come.



A children's delight - the duck pond in the Pippy Park Campground

HIGHLIGHTS & ACCOMPLISHMENTS

Campground Improvements

As part of the continuing effort by the Commission to enhance its very popular campground, various routine maintenance and improvements efforts were completed during the 2012-2013 fiscal year. These included installing additional public safety and directional signage, water, sewer and electrical utility repairs and upgrading, considerable tree and vegetation pruning and removal of fallen trees resulting from Hurricane Leslie.

Golf and Clubhouse Catering

Both the Captains Hill and Admirals Green Golf courses remained popular with the golfing public during the past year. Both courses hosted various tournaments and corporate golfing events as well as accommodating league play.

Bookings for events and catering at the Admirals Green Clubhouse remained steady during the 2012/2013 reporting period with a total of 9601 guests attending 114 separate events.

North Bank Lodge Operations

The popular North Bank Lodge continued to offer bookings for meetings and social events during 2012/13.

Pippy Park Special Events and Promotions

The Pippy Park Commission, in with the cooperation of the Friends of Pippy Park, continued to host the annual Pippy Park Winterfest event. This popular event helped to promote the various winter attractions and opportunities found in Pippy Park. Winterfest, including activities such as sliding, skiing and snowshoeing, proceeded as scheduled in late January with hundreds of people attending.

Walking Trails and Cross Country Skiing Programs

The network of walking trails throughout the Park continued to be enjoyed by thousands of visitors during 2012/13. Excellent maintenance on all routes was performed by the Grand Concourse Authority.

The Cross Country Ski and Rental Program continued operations during the winter months of 2012 in partnership with the City of St. John's Recreation Department. Trails were groomed along the campground roads through the efforts of staff from the Grand Concourse Authority and volunteers from the Nordic Ski Club and a local sporting goods supply company, Outfitters Ltd.

PROGRESS OF MISSION

This annual report summarizes the work of the C.A. Pippy Park Commission during fiscal period 2012-2013 toward the achievement of its overall mission as outlined in its 2011-2014 Business Plan. The overall mission of its 3 Year Business Plan is summarized in the following section of this document.

MISSION STATEMENT

This mission statement identifies the key management priorities of the Commission for this planning cycle and the final one terminating in 2014. This statement also includes the measures and specific indicators that will be employed to monitor and evaluate its progress in achieving this mission.

During this and the next planning cycle, the Commission will undertake a prioritized series of initiatives that are designed to improve Park user satisfaction through facility and operational improvements while protecting and interpreting the heritage features of the lands within its administration. These initiatives are derived from two primary sources, the 2009-2013 Pippy Park Master Plan and a thorough assessment of the current facilities and equipment administered by the Commission. For example, the 2009-2013 Park Master Plan recommends more stringent policies to direct land management as well as initiatives to inventory and interpret the natural and cultural heritage of Pippy Park. In addition, over the past two years, the Commission has completed assessments of its key facilities which indicate the need for recapitalization of its assets as a means to enhance user satisfaction and sustain revenues generated by commercial operations. Improved user satisfaction can best be achieved by providing modern and attractive facilities combined with visitor services and interpretation opportunities. These factors help strengthen the public awareness of and appreciation for the Park as a valuable location for urban lifestyle pursuits and environmental protection.

Mission: By March 31, 2017, the C. A. Pippy Park Commission will have improved visitor services toward enhancing Park user satisfaction with improvements to its key facilities, the provision of heritage interpretation programs, and the inventorying of the heritage features of the lands it administers.

Measure: Improved Park user satisfaction

Indicators:

- Key facilities are improved and aging equipment replaced.
- Grounds maintenance operational efficiencies are improved.
- Visitor services are improved through interpretation programs and mixed media methods.
- Detailed inventories of natural and cultural features are completed.
- Revised land management and operation policies as described in the Commission's pending Master Plan are implemented.

PROGRESS ON GOALS:

In consideration of the Park's mission, and the financial resources available to achieve it, the following specific goals were identified as key priorities. These goals reflect the long term vision and mission of the Commission and specifically define the measures and indicators pertaining to the 2012-13 reporting period.

ISSUE 1: CAPITAL INVESTMENT IN PARK FACILITIES AND EQUIPMENT

The primary infrastructures of Pippy Park include buildings, roadways, water, sewer and electrical lines, signage, trails, and equipment. Over the past several years the Commission has recognized the need for upgrading the existing physical infrastructures of the Park - most of which are nearly 40 years old and past their planned obsolescence. In addition to infrastructure improvements, there is a definite need to better promote the Park and the valuable role it plays in outdoor recreation and heritage conservation.

Comprising 3400 acres, Pippy Park is one of the largest urban parks in the nation. Familiar Canadian parks such as Mont Royal (Montreal), Stanley Park (Vancouver), and Wascana Park (Regina) can all fit within its boundaries. For the past forty years the vision of former Premier Joseph Smallwood and businessman Chesley Pippy has resulted in a remarkable array of government buildings, open space and natural areas all within the environs of an expanding capital. Since its establishment in 1968, Pippy Park still provides a marvelous setting for the provincial seat of government as well as space for recreation and the appreciation of our heritage.

Over the past decade, usage of the Park has escalated in lockstep with the expansion of the St. John's urban area. New residential developments around the periphery of the Park have meant more visitors and the consequential deterioration of infrastructure. Annual increases in the demand for camp sites have brought greater numbers of tourists to the campground with high expectations for quality service and amenities. The renewed interest in natural and cultural heritage throughout the Province has kindled demand for programs within Pippy Park to interpret and promote these resources. These primary determining factors highlight the need for reinvestment in the Park so that it may continue to fulfill its mandate as described over forty years ago.

Goal: By March 31, 2014, the C. A. Pippy Park Commission will have improved selected park infrastructure and equipment.

Measure: Improvements made to selected Park facilities and new equipment purchased.

Indicators:

- Construction feasibility and cost estimations compiled for selected facility improvement projects.
- Construction design plans and specifications compiled.
- Project implementation schedules compiled.
- Priority list of equipment purchases and cost estimations compiled.
- Project and equipment funding sources identified and accessed.

Objectives:

- 1.1 By March 31, 2013, the C.A. Pippy Park Commission will have completed an additional washroom facility upgrade, a re-design for its Miniature Golf Course facility, and the acquisition of additional grounds keeping equipment.

Measure: Washroom facilities renovated

Indicators:

- Tendering process completed and contract(s) awarded.
- Washroom facility upgraded and re-opened for public use.
- If adequate funds are not available for washroom facility upgrades, remedial repairs will be undertaken to ensure serviceability.

PROGRESS ON OBJECTIVE

Washroom Facility Design and Construction Specifications Compiled

- ✓ The Commission contracted consultant architectural and engineering services to assess the viability of its existing washroom buildings. The consultants concluded that it would be more cost effective to construct new washroom buildings in comparison to renovating the existing structures. The Commission agreed and instructed staff to seek the necessary funds for the new buildings.

Tendering Process for Washroom Facility

- ✓ It was anticipated that the sale of two Commissions owned building lots located on Gillies Road would have been completed to allow for these funds to be assigned to the washroom construction. Due to an ownership claim from a local resident which required a Quieting of Titles process to be initiated, the sale of these lots did not occur during the reporting period. Therefore, since funds were not available within the existing resources of the organization, the tendering and subsequent construction of a new washroom facility within the reporting period did not occur.

Mowers and Trucks

- ✓ The Commission obtained previously used trucks from the Government of NL fleet management depot. These trucks were repaired and added to the Commission fleet. In addition, at the end of the reporting period, the Commission issued a tender for three new mowing tractors. It is expected that this new equipment will be in service in June 2013.

Miniature Golf Course Re-Design

- ✓ The Commission has previously completed re-design plans and cost estimations for redesigning its miniature golf course. However, due to the unavailability of funds within its own resources from land sales, this project has been put on hold indefinitely.

1.2 By March 31, 2014, the C.A. Pippy Park Commission will have completed upgrades to its Washroom facilities, implemented the construction of a redesigned Miniature Golf Course, and initiated the first phase of a Campground expansion project. In addition, the Commission would have completed its acquisition of new grounds keeping equipment for this business cycle.

Measure: Current Business Plan capital upgrades completed.

Indicators:

- All planned washroom upgrades will have been completed.
- All new mower acquisitions completed.
- A new miniature golf course will have been installed.
- First phase of the Campground expansion project will have been initiated.

ISSUE 2: IMPROVED VISITOR SERVICES

The need for improved visitor services and promotional activities is an on-going enterprise of the Commission that has been identified as an operational priority in its previous business plan and revised Master Plan. During the course of this business cycle the Commission will make efforts to achieve the complementary goals of: 1) to identify and establish improved visitor services throughout Pippy Park; and, 2) increase public awareness of the values and benefits of the Park to the public in general.

Over the past business cycle, the Commission improved public awareness of Pippy Park through the establishment of a new web site, celebrating the 40th anniversary of the Park, and initiating a computerized mapping program. Over the 2011-2014 business cycle, the Commission intends to complement its previous initiatives by concentrating more on specific visitor services and heritage interpretation projects which will increase public appreciation and knowledge about Pippy Park and the role the Commission plays in operating one of the largest urban parks in Canada.

Goal: By March 31, 2014, the C.A. Pippy Park Commission will have improved visitor services.

Measure: Visitor services and Park awareness increased.

Indicators:

- Projects are completed that provide interpretative information about the natural and cultural heritage of Pippy Park.
- The Park website is revised to include more interactive capabilities.
- An expanded Park Visitor Guide is compiled and distributed.
- Directional, promotional and boundary signage is improved to assist the public while in Pippy Park.
- Additional computer mapping, with internet applications, for hikers and nature enthusiasts is compiled and distributed.

Objectives:

- 2.1 By March 31, 2013, the C.A. Pippy Park Commission will have initiated additional actions to improve visitor services and overall public awareness of Pippy Park.

Measure: Visitor services will be further increased

Indicators:

- Interpretation panels are designed and installed
- New format visitor guide compiled and incorporated into Park web site
- Funding efforts continue for construction of performance stage

PROGRESS ON OBJECTIVE*Interpretation Panels*

- ✓ During the reporting period, the Heritage Committee of the Commission considered a lengthy list of subject topics for inclusion in an interpretation panel project. These included topics pertaining to both natural and cultural heritage. During the summer months of 2012 a student coordinator was employed collecting data for a selected number of topics from the list under consideration. The Heritage Committee continued to refine its list of topic priorities for the panels and has determined that a complementary series of ten panels will suffice for now. Funds will be sought from the Commission operating budget in FY 2013/14 to write, computer design and fabricate these panels.

In addition during the reporting period, the Friends of Pippy Park, working in close cooperation with the Heritage Committee, has initiated a project to install a digital version of "Hear-Say" story board locations at Long Pond in the Park.

Visitor Guide

- ✓ In cooperation with the Friends of Pippy Park, the Commission had completed a draft of a multi page visitor guide for public use. Estimates for printing and distribution were obtained and the costs involved were considered beyond the current budget allocation for promotion purposes. In addition, the advent of new digital social media and internet applications convinced the Commission to reconsider the costs associated with the original visitor guide format. During 2012-13 reporting period, the Commission decided to not proceed at this time with a costly print version of a user guide but instead initiated discussion among staff

and its committees to produce an update of its web site. Since more individuals use digital and social media in comparison to print forms it was decided to consider the web site upgrade route. A web site upgrade will be undertaken, depending on, funding availability, during the 2013/14 reporting period.

✓ *Performance Stage*

The Commission realized that attempting to design and construct its planned performance stage was not feasible within the time frame of a fiscal year. In addition to completing design drawings, the project required approval from the City of St. John's, the Provincial Government Services Centre (for accessibility permits), and compilation of construction material lists. Much of this preparatory work was completed during the reporting period. Since this project was a collaborative effort with the Friends of Pippy Park. This group was soliciting private contributions to offset the construction costs; however, this process was on-going.

- 2.2 By March 31, 2014, the C.A. Pippy Park Commission will have completed all planned visitor services and public awareness activities and projects towards a greater appreciation of the value of Pippy Park.

Measure: All current Business Plan visitor services and public awareness activities and projects completed.

Indicators:

- Work will have begun on writing and design of a series of natural and cultural heritage interpretation panels.
- A Pippy Park website upgrade will have been implemented.
- Boundary sign erection will commence.

ISSUE 3: HERITAGE FEATURE INVENTORIES AND MANAGEMENT

The natural and cultural features of Pippy Park are its enduring legacy. Few urban areas in Canada can claim to possess as large an area of relatively undisturbed landscape and historical significance as Pippy Park. Tracts of mature boreal forest, sub arctic barren lands, waterways and wildlife are the primary components of the lands within the Park. Cultural features include historic buildings, monuments, sculpture, former crop and pasture lands, and old travel ways. The continued stewardship of this legacy remains one of the primary objectives of the Commission which is supported by the legislation and policies that govern the Park. Since the establishment of Pippy Park as a capital city commission there have not been many efforts to inventory, document and catalogue the multifaceted natural and cultural features. Such inventories, which will include computerized mapping, are an important tool to assist the land management efforts of the Commission. These data bases will also assist conservation and interpretation projects undertaken to make the public more appreciative of the natural and cultural values of the Park.

Goal: By March 31, 2014, the Commission will have compiled inventories of its natural and cultural features and initiated management policies to protect and catalogue these valuable assets.

Measure: The inventory and cataloguing of heritage features initiated and on-going.

Indicators:

- Completed forest classification for the lands in Pippy Park.
- Completed assessment and management of forest hazard index for forest lands in Pippy Park.
- An improved definition of the value of the conservation role of the Park is more clearly communicated.
- Completion of on-going computer mapping, using GIS technology.
- Completion of on-going cultural heritage asset inventories and cataloguing.
- Continued on-going implementation and monitoring of Master Plan policies and guidelines relating to heritage features.

Objectives:

- 3.1 By March 31, 2013, the C.A. Pippy Park Commission will have initiated additional heritage feature inventories and preservation management activities.

Measure: Continued heritage feature inventories

Indicators:

- Completed final natural features inventory and mapping distribution
- Distribution of all Master Plan management policies and guidelines relating to Heritage
- Completed preliminary cultural heritage inventory of buildings, farmlands, stone walls, monuments and other built features from the past

PROGRESS ON OBJECTIVE

Completed final natural features inventory and mapping distribution

- ✓ The Forest Inventory data collected during the 2011/12 reporting period was often utilized during this past period. The data was used for GIS boundary updating as well as in the land management decision making processes of both the staff and Commission members. In addition, the forest inventory data was utilized by MUN graduate students who compiled several thesis reports using the Pippy Park land as their location for field work.

- ✓ *GIS Mapping for Forests and Vegetation*

This objective was completed during the 2011/12 reporting period but the GIS data obtained was used for research and land management processes during the 2012/13 period.

Completed preliminary cultural heritage inventory of buildings, farmlands, stone walls, monuments and other built features from the past

- ✓ In the fall of 2011, the Commission contracted a biologist to commence an update of the existing biophysical inventory data of the Park. A Phase One report was submitted near the end of 2011 that listed all the known biotic and abiotic features of the Park. During the 2012/13 reporting period the natural heritage inventory was completed and a summary report and data files were submitted for staff for review. Following some minor revisions, the completed inventory was utilized for research and land management purpose. While

considerable progress was made in 2012-13 on the natural heritage components of this inventory, ongoing work will be continued into 2013-14 for the purpose of building the cultural heritage inventory.

✓ *O'Brien Farm Heritage Foundation*

The Commission continued to support the O'Brien Farm Heritage Foundation throughout the reporting period by the active participation of its representative on the Foundation board and the provision of office space.

Distribution of Master Plan Policies and Guidelines

- ✓ This task was not initiated due to the fact that the submitted draft of the Master Plan is under review by government.

3.2 By March 31, 2014, the C.A. Pippy Park Commission will have initiated its current heritage feature inventories and completed all Master Plan initiatives to ensure their future preservation.

Measure: Revised Pippy Park Master Plan approved and current Business Plan initiatives relating to Heritage Features management initiated.

Indicators:

- Forest inventory and biophysical data inventory reviewed and updated as required.
- Geographical Information System (GIS) data reviewed and updated as required.
- Continued support to the O'Brien Farm Foundation.
- Approval of current Pippy Park Master Plan and public distribution of its contents.

OPPORTUNITIES & CHALLENGES

The C.A. Pippy Park Commission continues to embrace opportunities and face challenges. The following is a summary of the most salient:

Opportunities

- The demand for campground bookings continues to increase thus providing opportunity for continued revenue generation directly for the Commission and tourism spin off benefits for the St. John's Urban Region.
- The continued popularity of the Admiral's Green and North Bank Lodge conference and catering facilities ensures annual increases in revenues.
- North Bank Lodge continued to be a popular rental venue by the general public.
- Relationships with our institutional and community services partners remain stable and cooperative. New partnerships continue to be forged with groups such as the O'Brien Farm Foundation and the Food Security Network of St. John's.

-
- Public use of the lands and facilities of Pippy Park continues to increase as urbanization concentrates on the northeast Avalon Peninsula. Our recreation and conservation objectives serve the public well.
 - The diverse ecosystems and historical resources within the Park increase its potential for natural and cultural heritage appreciation and interpretation. During FY 2012/13 the heritage preservation mandate of the Commission was greatly enhanced by the completion of an update of the Biophysical Resource Inventory.
 - The unspoiled wilderness lands located in its northern extremity provide exciting opportunities for future backcountry and passive tourism use of the Park.

Challenges

- Increases in the number of golf facilities during the past decade means that the Pippy Park courses must remain competitive and cost efficient.
- For a period of years the Commission was able to supplement its revenue base through the sale of lands held by the Commission which were outside the boundaries of the Park. Most of these excess properties have now been completely sold, and this revenue source will soon be depleted. The sale of Commission property for the construction of the new YMCA of Northeast Avalon represents one of the last opportunities to generate revenue from land sales.
- A key challenge in realizing financial self sufficiency is the realization that our prime business is operating a public park. Many of the regulatory and grounds-keeping activities undertaken, to achieve this mandate, simply do not generate significant income. Thus alternate sources of funding and/or revenue will need to be explored.
- The human resources and primary management focus for the Park continues to concentrate more on commercial activities rather than public recreation and conservation. The original intent of Pippy Park was to integrate institutional land development with public use. Finding this balance between parkland and the demands of urbanization will continue to be an ongoing challenge for the Park and the Commission

FINANCIAL STATEMENTS

The Consolidated Financial Statements details the results of the Government of Newfoundland and Labrador Auditors Report for the period ending March 31, 2013 as compiled by the Auditors General's office.

C.A. PIPPY PARK COMMISSION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2013

Management's Report

Management's Responsibility for the C.A. Pippy Park Commission Consolidated Financial Statements

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements.


Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized.

Management is also responsible for ensuring that transactions comply with relevant policies and authorities and are properly recorded to produce timely and reliable financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial information periodically and external audited consolidated financial statements yearly.

The Auditor General conducts an independent audit of the annual consolidated financial statements of the Commission in accordance with Canadian generally accepted auditing standards, in order to express an opinion thereon. The Auditor General has full and free access to financial management of the C.A. Pippy Park Commission.

On behalf of the C.A. Pippy Park Commission.



Mr. Ric Mercer
Executive Director

September 27, 2013



INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Members of the Board of Directors
C.A. Pippy Park Commission
St. John's, Newfoundland and Labrador

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the C.A. Pippy Park Commission which comprise the consolidated statement of financial position as at March 31, 2013, the consolidated statements of operations and accumulated surplus, change in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Independent Auditor's Report (cont.)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion the consolidated financial statements present fairly, in all material respects, the financial position of the C.A. Pippy Park Commission as at March 31, 2013 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink, appearing to read 'T. Paddon', with a long horizontal line extending to the right.

TERRY PADDON, CA
Auditor General

September 27, 2013
St. John's, Newfoundland and Labrador

C.A. PIPPY PARK COMMISSION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at March 31

2013

2012

FINANCIAL ASSETS

| | | |
|------------------------------|----------------|----------------|
| Cash | \$ 520,169 | \$ 304,617 |
| Accounts receivable (Note 3) | 34,267 | 25,308 |
| Inventories held for resale | 23,622 | 30,063 |
| | 578,058 | 359,988 |

LIABILITIES

| | | |
|--|------------------|------------------|
| Accounts payable and accrued liabilities | 156,255 | 123,537 |
| Deferred revenue (Note 4) | 92,101 | 78,909 |
| Obligations under capital leases (Note 5) | 114,190 | 184,895 |
| Employee future benefits (Note 6) | 208,217 | 266,376 |
| Advance from Province of Newfoundland and Labrador (Note 7) | 250,000 | 250,000 |
| | 820,763 | 903,717 |
| Net debt | (242,705) | (543,729) |

NON-FINANCIAL ASSETS

| | | |
|----------------------------------|---------------------|---------------------|
| Prepaid expenses | 19,223 | 17,785 |
| Inventories held for use | 16,316 | 15,347 |
| Tangible capital assets (Note 8) | 9,267,717 | 9,515,620 |
| | 9,303,256 | 9,548,752 |
| Accumulated surplus | \$ 9,060,551 | \$ 9,005,023 |

Contingent liability (Note 9)
Contractual obligations (Note 14)

*The accompanying notes are an
integral part of these financial statements.*

Signed on behalf of the Board:


Chairperson


Member

C.A. PIPPY PARK COMMISSION
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended March 31

| | 2013 Budget | 2013 Actual | 2012 Actual |
|---|---------------------|---------------------|---------------------|
| (Note 17) | | | |
| REVENUES | | | |
| Province of Newfoundland and Labrador | | | |
| Operating grant | \$ 579,000 | \$ 579,000 | \$ 598,000 |
| Golf Course (Note 11) | 1,080,172 | 1,000,996 | 975,786 |
| Trailer Park (Note 12) | 585,733 | 585,956 | 538,406 |
| Services | 260,000 | 262,196 | 238,138 |
| Rental | 67,000 | 64,071 | 63,686 |
| Driving range | - | 54,224 | - |
| Advertising | 12,000 | 11,912 | 15,110 |
| Miscellaneous | 10,500 | 12,113 | 9,220 |
| Interest | 2,000 | 4,971 | 4,128 |
| | <u>2,596,405</u> | <u>2,575,439</u> | <u>2,442,474</u> |
| EXPENSES (Note 13) | | | |
| Golf course | 1,042,150 | 973,062 | 897,181 |
| Trailer park | 288,500 | 257,519 | 278,527 |
| General park | 641,166 | 505,003 | 565,136 |
| Administration and other | 710,550 | 784,327 | 850,253 |
| | <u>2,682,366</u> | <u>2,519,911</u> | <u>2,591,097</u> |
| Annual (deficit) surplus from operations | (85,961) | 55,528 | (148,623) |
| Other revenues | | | |
| Property sales | - | - | 17,270 |
| Annual surplus (deficit) | (85,961) | 55,528 | (131,353) |
| Accumulated surplus, beginning of year | 9,005,023 | 9,005,023 | 9,136,376 |
| Accumulated surplus, end of year | \$ 8,919,062 | \$ 9,060,551 | \$ 9,005,023 |

*The accompanying notes are an
integral part of these financial statements.*

C.A. PIPPY PARK COMMISSION
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended March 31

| | 2013 Budget | 2013 Actual | 2012 Actual |
|--|----------------|----------------|----------------|
| (Note 17) | | | |
| <u>Annual surplus (deficit)</u> | \$ (85,961) | \$ 55,528 | \$ (131,353) |
| Changes in tangible capital assets | | | |
| Acquisition of tangible capital assets | - | (35,705) | (183,133) |
| Loss on disposal of tangible capital assets | - | 341 | 2,593 |
| <u>Amortization of tangible capital assets</u> | 282,000 | 283,267 | 293,140 |
| | 282,000 | 247,903 | 112,600 |
| Changes in other non-financial assets | | | |
| Use of prepaid expenses | - | 17,785 | 17,483 |
| Acquisition of prepaid expenses | - | (19,223) | (17,785) |
| <u>Net acquisition of inventories held for use</u> | - | (969) | (3,170) |
| | - | (2,407) | (3,472) |
| (Increase) decrease in net debt | 196,039 | 301,024 | (22,225) |
| <u>Net debt, beginning of year</u> | (543,729) | (543,729) | (521,504) |
| <u>Net debt, end of year</u> | \$ (347,690) | \$ (242,705) | \$ (543,729) |

*The accompanying notes are an
integral part of these financial statements.*

C.A. PIPPY PARK COMMISSION
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended March 31

2013

2012

| | | |
|--|-------------------|-------------------|
| Cash flows from operating activities | | |
| Annual surplus (deficit) | \$ 55,528 | \$ (131,353) |
| Adjustment for non-cash items | | |
| Amortization | 283,267 | 293,140 |
| Bad debts | - | 4,390 |
| Loss on disposal of tangible capital assets | 341 | 2,593 |
| | 339,136 | 168,770 |
| Changes in non-cash working capital | | |
| Accounts receivable | (8,959) | 31,915 |
| Inventories held for resale | 6,441 | (9,730) |
| Prepaid expenses | (1,438) | (302) |
| Inventories held for use | (969) | (3,170) |
| Accounts payable and accrued liabilities | 32,718 | (81,379) |
| Deferred revenue | 13,192 | 17,086 |
| Employee future benefits | (58,159) | 11,581 |
| Cash provided from operating transactions | 321,962 | 134,771 |
| Capital transactions | | |
| Additions to tangible capital assets - purchased from operations | (25,505) | (53,513) |
| Additions to tangible capital assets - purchased under capital lease | (10,200) | (129,620) |
| Cash applied to capital transactions | (35,705) | (183,133) |
| Financing transactions | | |
| Increase in capital lease obligations | 10,200 | 129,620 |
| Repayment of capital lease obligations | (80,905) | (55,775) |
| Cash (applied to) provided from financial transactions | (70,705) | 73,845 |
| Net increase in cash | 215,552 | 25,483 |
| Cash, beginning of year | 304,617 | 279,134 |
| Cash, end of year | \$ 520,169 | \$ 304,617 |

The accompanying notes are an integral part of these financial statements.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2013

1. Nature of operations

The C.A. Pippy Park Commission (the Commission) was incorporated in 1968 and operates under the authority of the *Pippy Park Commission Act*. The purpose of the Commission is to provide a park-like setting to house the headquarters of the Provincial Government, as well as various government, cultural, educational facilities and Memorial University of Newfoundland. Its affairs are managed by a Board of Commissioners, the majority of whom are appointed by the Lieutenant-Governor in Council.

The C.A. Pippy Park Golf Course Limited (the Golf Course) was incorporated on January 6, 2006, under the *Corporations Act*. It is a wholly owned subsidiary of the Commission, incorporated in accordance with Section 25(b)(i) of the *Pippy Park Commission Act*. Its purpose is to manage the Pippy Park Golf Course.

The Commission is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

2. Summary of significant accounting policies

(a) Basis of accounting

The Commission is classified as an Other Government Organization as defined by Canadian Public Sector Accounting Standards (CPSAS). These consolidated financial statements are prepared by management in accordance with CPSAS for provincial reporting entities established by the Public Sector Accounting Board. The Commission does not prepare a statement of re-measurement gains and losses as the Commission does not enter into relevant transactions or circumstances that are addressed by that statement.

The consolidated financial statements include the assets, liabilities and accumulated surplus of the C.A. Pippy Park Commission and its subsidiary corporation, C.A. Pippy Park Golf Course Limited. Inter-entity transactions and balances have been eliminated in these consolidated financial statements.

(b) Financial instruments

The Commission's financial instruments recognized in the consolidated statement of financial position consist of cash, accounts receivable, accounts payable and accrued liabilities and obligations under capital leases. The Commission generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition.

2. Summary of significant accounting policies (cont.)

(b) Financial instruments (cont.)

The Commission subsequently measures all of its financial assets and financial liabilities at cost or amortized cost. Of the financial assets, cash is measured at cost while accounts receivable is measured at amortized cost. Financial liabilities measured at cost include accounts payable and accrued liabilities. Obligations under capital leases are recorded at amortized cost.

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, and obligations under capital leases approximate current fair value due to their nature and/or the short-term maturity associated with these instruments.

Interest attributable to financial instruments is reported on the consolidated statement of operations and accumulated surplus.

(c) Cash

Cash includes cash in bank.

(d) Tangible capital assets

All tangible capital assets are recorded at cost at the time of acquisition, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the interest rate implicit in the lease.

The cost, less residual value, of the tangible capital assets, is amortized using the declining balance method over the expected useful lives as follows:

| | |
|--------------------------------|-----|
| Furniture and equipment | 30% |
| Vehicles | 30% |
| Equipment under capital leases | 30% |
| Buildings | 10% |
| Park improvements | 10% |
| Golf course improvements | 10% |

The cost of building acquisitions is included with land where the primary reason for purchasing the properties is to acquire the land. Where the Commission intends to maintain the buildings for Park use, cost is allocated between land and buildings.

2. Summary of significant accounting policies (cont.)

(d) Tangible capital assets (cont.)

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Commission's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations and accumulated surplus.

(e) Inventories held for resale

Inventories held for resale, including confectionary and golf supplies, are recorded at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

(f) Prepaid expenses

Prepaid expenses are recorded as an expense over the periods expected to benefit from it.

(g) Employee future benefits

(i) Certain employees of the Commission are entitled to severance pay. Severance pay for entitled employees is calculated based on years of service and current salary levels. Entitlement to severance pay vests with employees after nine years of continuous service and, accordingly, a liability has been recorded for these employees. For employees with less than nine years of continuous service, the Commission has made a provision in the accounts for the payment of severance which is based upon the Commission's best estimate of the probability of having to pay severance to the employees and current salary levels. Severance is payable when the employee ceases employment with the Commission unless the employee transfers to another entity in the public service in which case the liability is transferred with the employee to the other entity.

(ii) The employees of the Commission represented by the Newfoundland and Labrador Association of Public and Private Employees (NAPE) and certain management employees are subject to the *Public Service Pensions Act, 1991*. Employee contributions are matched by the Commission and then remitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to employees when they retire.

Until July 16, 2012, the Commission employees represented by the United Food and Commercial Workers Union, participated in the Canadian Commercial Workers' Industry Pension Plan. Employee contributions were matched by the Commission and then remitted to the Canadian Commercial Workers' Industry Pension Plan up until that time.

Contributions of the Commission to the plans are recorded as an expense for the year.

2. Summary of significant accounting policies (cont.)

(g) Employee future benefits (cont.)

(iii) The Commission provides accumulating, non-vesting sick leave benefits to its employees. The Commission has made a provision in the accounts for the payment of accumulating non-vesting sick leave benefits for employees which is based upon the Commission's best estimate of the probability of the employees utilizing the benefits and current salary levels. The accumulating non-vesting sick leave benefits cease upon termination of employment with the Commission.

(h) Revenues

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized as revenue in the fiscal year the fee is earned or the service is performed.

The Commission recognizes government transfers as revenues when the transfer is authorized and any eligibility criteria are met, except when and to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulation liabilities are settled. Government transfers consist of an operating grant from the Province of Newfoundland and Labrador.

(i) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is recorded as an expense in that year.

(j) Measurement uncertainty

The preparation of consolidated financial statements in conformity with CPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the expected future life of tangible capital assets and estimated employee future benefits.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these estimates.

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2013

3. Accounts receivable

| | <u>2013</u> | <u>2012</u> |
|--|------------------|------------------|
| Trade | \$ 21,359 | \$ 22,134 |
| <u>Harmonized sales tax</u> | <u>18,616</u> | <u>9,289</u> |
| | 39,975 | 31,423 |
| <u>Less: allowance for doubtful accounts</u> | <u>(5,708)</u> | <u>(6,115)</u> |
| <u>Net accounts receivable</u> | <u>\$ 34,267</u> | <u>\$ 25,308</u> |

4. Deferred revenue

| | <u>2013</u> | <u>2012</u> |
|---------------------|--------------|--------------|
| Golf course | \$ 63,108 | \$ 51,948 |
| Clubhouse | 14,344 | 13,656 |
| Rental | 8,919 | 7,023 |
| <u>Trailer park</u> | <u>5,730</u> | <u>6,282</u> |
| | \$ 92,101 | \$ 78,909 |

Golf course deferred revenue relates to golf packages and gift certificates sold during the fiscal year that relate to the 2013 golf season. Clubhouse deferred revenue relates to deposits received on salon rentals for future periods. Rental deferred revenue relates to deposits received on reservations at the Northbank Lodge for future periods and a property lease payment received that relates to the 2013-14 fiscal year. Trailer park deferred revenue relates to deposits received on reservations.

5. Obligations under capital leases

The Commission has financed property for golf course operations, general park and administration through capital leases.

| | <u>2013</u> | <u>2012</u> |
|---|-------------------|-------------------|
| <u>Obligations under capital leases</u> | <u>\$ 114,190</u> | <u>\$ 184,895</u> |

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2013

5. Obligations under capital leases (cont.)

Future minimum lease payments under capital leases are:

| | |
|------------------------------------|-------------------|
| 2014 | \$ 52,965 |
| 2015 | 40,421 |
| 2016 | 33,697 |
| 2017 | 2,616 |
| 2018 | <u>180</u> |
| | 129,879 |
| Less: interest portion of payments | <u>15,689</u> |
| | <u>\$ 114,190</u> |

The capital leases are secured by equipment having a net book value of \$127,410.

6. Employee future benefits

| | <u>2013</u> | <u>2012</u> |
|--|-------------------|-------------------|
| Vested severance benefits | \$ 112,325 | \$ 165,432 |
| Non-vested severance benefits | 34,218 | 30,000 |
| <u>Provision for accumulating, non-vesting, sick leave</u> | <u>61,674</u> | <u>70,944</u> |
| | <u>\$ 208,217</u> | <u>\$ 266,376</u> |

Pension contributions

The employees of the Commission represented by the NAPE and certain management employees are subject to the *Public Service Pensions Act, 1991*. The Government of Newfoundland and Labrador administers the Public Service Pension Plan, including payment of pension benefits to employees to whom the *Act* applies. The Public Service Pension Plan is a multi-employer, defined benefit plan.

The plan provides a pension to employees based on the age of its members at retirement, length of service and the average of their best five years of earnings. The maximum contribution rate for eligible employees was 8.6% (2012 - 8.6%). The Commission contributes an amount equal to the employee contributions to the plan. The Commission is not required to make contributions in respect of any actuarial deficiencies of the plan. Total pension expense for the Commission at March 31, 2013, was \$57,712 (2012 - \$60,378).

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2013

6. Employee future benefits (cont.)

Until July 16, 2012, Commission employees represented by the United Food and Commercial Workers Union participated in the Canadian Commercial Workers' Industry Pension Plan from which pensions would be paid to employees when they retired. Employee contributions were matched by the Commission and then remitted to the Canadian Commercial Workers' Industry Pension Plan (CCWIPP). The contribution rate for eligible employees was \$0.35 per hour worked. The share of the pension contributions relating to the Commission for 2013 was \$2,293 (2012 - \$7,070). Effective July 17, 2012, under the terms and conditions of a new collective agreement, the Commission ceased contributions to the CCWIPP and added the \$0.35 contributions per hour worked to employee hourly wage rates.

7. Advance from Province of Newfoundland and Labrador

On March 30, 2001, the Commission received a repayable advance in the amount of \$250,000 from the Province of Newfoundland and Labrador. There are no set terms of repayment. The advance payable remained outstanding at year end.

8. Tangible capital assets

Original cost

| | Balance March 31, 2012 | Additions | Disposals | Balance March 31, 2013 |
|--------------------------------|---------------------------------------|------------------|------------------|---------------------------------------|
| Park | | | | |
| Land | \$ 5,429,850 | \$ - | \$ - | \$ 5,429,850 |
| Furniture and equipment | 307,982 | - | 9,940 | 298,042 |
| Vehicles | 51,674 | - | 27,568 | 24,106 |
| Equipment under capital leases | 108,023 | - | - | 108,023 |
| Buildings | 1,689,605 | - | - | 1,689,605 |
| Park improvements | 1,791,558 | - | - | 1,791,558 |
| Golf course | | | | |
| Land | 1,809,696 | - | - | 1,809,696 |
| Golf course improvements | 1,346,311 | - | - | 1,346,311 |
| Buildings | 530,469 | - | - | 530,469 |
| Equipment under capital leases | 207,934 | 10,200 | - | 218,134 |
| Furniture and equipment | 359,203 | 25,505 | - | 384,708 |
| | \$ 13,632,305 | \$ 35,705 | \$ 37,508 | \$ 13,630,502 |

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 March 31, 2013

8. Tangible capital assets (cont.)

Accumulated amortization

| | Balance March 31, 2012 | Amortization | Accumulated amortization on disposals | Balance March 31, 2013 | Net book value March 31, 2013 | Net book value March 31, 2012 |
|-----------------------------------|------------------------------|-------------------|---|------------------------------|--|--|
| Park | | | | | | |
| Land | \$ - | \$ - | \$ - | \$ - | \$ 5,429,850 | \$ 5,429,850 |
| Furniture and equipment | 275,593 | 9,708 | 9,667 | 275,634 | 22,408 | 32,389 |
| Vehicles | 51,191 | 133 | 27,500 | 23,824 | 282 | 483 |
| Equipment under capital leases | 85,442 | 6,775 | - | 92,217 | 15,806 | 22,581 |
| Buildings | 1,305,313 | 38,314 | - | 1,343,627 | 345,978 | 384,292 |
| Park improvements | 1,092,094 | 68,095 | - | 1,160,189 | 631,369 | 699,464 |
| Golf course | | | | | | |
| Land | - | - | - | - | 1,809,696 | 1,809,696 |
| Golf course improvements | 688,817 | 65,749 | - | 754,566 | 591,745 | 657,494 |
| Buildings | 257,074 | 27,340 | - | 284,414 | 246,055 | 273,395 |
| Equipment under capital leases | 60,886 | 45,644 | - | 106,530 | 111,604 | 147,048 |
| Furniture and equipment | 300,275 | 21,509 | - | 321,784 | 62,924 | 58,928 |
| | \$ 4,116,685 | \$ 283,267 | \$ 37,167 | \$ 4,362,785 | \$ 9,267,717 | \$ 9,515,620 |

C.A. PIPPY PARK COMMISSION
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March 31, 2013

8. Tangible capital assets (cont.)

(a) Tangible capital assets not included in consolidated financial statements

Land purchased directly by the Provincial Government and forming part of C.A. Pippy Park is not recorded in these consolidated financial statements. The land recorded in these consolidated financial statements represents land purchased directly by the Commission.

Capital improvements made by third parties are not recorded in these consolidated financial statements.

(b) Title to Commission property and value of land

Under Section 10(4) of the *Pippy Park Commission Act*, title to property of the Commission is vested in the name of the Minister of Environment and Conservation, for the Crown.

9. Contingent liability

In 1997, a Statement of Claim was served on the Commission in dispute of conveyance of property situated at Nagle's Place. The property, within the boundary of Pippy Park, was purchased in 1997 by the Department of Works, Services and Transportation (now the Department of Transportation and Works). After the owners passed away, there was a dispute over share of the estate between the remaining children. The status of the issue between the parties is unclear, even though this issue was dropped from the trial list by consent of the parties some time ago. This matter has not been formally closed and action had been initiated to formally discontinue this matter during the 2008 calendar year.

10. Related party transactions

- (a) During the year, the Commission received an operating grant of \$579,000 (2012 - \$598,000) from the Province.
- (b) Services and rental revenue include revenues from the Province in the amount of \$228,011 (2012 - \$193,974) as a result of ongoing contracts.

C.A. PIPPY PARK COMMISSION
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March 31, 2013

11. Golf Course revenue

Course operations

| | <u>2013</u> <u>Budget</u> | <u>2013</u> <u>Actual</u> | <u>2012</u> <u>Actual</u> |
|--------------------------|------------------------------|------------------------------|------------------------------|
| Green fees | \$ 668,672 | \$ 631,879 | \$ 581,177 |
| Rentals | 152,000 | 162,295 | 144,816 |
| | <u>820,672</u> | <u>794,174</u> | <u>725,993</u> |
| Proshop sales | 25,000 | 19,166 | 20,457 |
| Less: cost of goods sold | 10,000 | 7,188 | 8,939 |
| | <u>15,000</u> | <u>11,978</u> | <u>11,518</u> |
| Course operations | <u>835,672</u> | <u>806,152</u> | <u>737,511</u> |

Clubhouse operations

| | | | |
|-----------------------------|---------------------|---------------------|-------------------|
| Salon rentals | 52,500 | 44,101 | 51,039 |
| Catering commissions | 64,000 | 47,972 | 60,540 |
| | <u>116,500</u> | <u>92,073</u> | <u>111,579</u> |
| Salon sales | 215,000 | 176,025 | 208,164 |
| Less: cost of goods sold | 87,000 | 73,254 | 81,468 |
| | <u>128,000</u> | <u>102,771</u> | <u>126,696</u> |
| Clubhouse operations | <u>244,500</u> | <u>194,844</u> | <u>238,275</u> |
| | <u>\$ 1,080,172</u> | <u>\$ 1,000,996</u> | <u>\$ 975,786</u> |

C.A. PIPPY PARK COMMISSION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2013

12. Trailer park revenue

| | <u>2013</u> <u>Budget</u> | <u>2013</u> <u>Actual</u> | <u>2012</u> <u>Actual</u> |
|--------------------------|------------------------------|------------------------------|------------------------------|
| Registration fees | \$ 584,000 | \$ 573,225 | \$ 527,539 |
| Mini golf | 1,733 | 1,733 | 3,420 |
| | <u>585,733</u> | <u>574,958</u> | <u>530,959</u> |
| Sales | - | 39,482 | 26,223 |
| Less: cost of goods sold | - | 28,484 | 18,776 |
| | <u>585,733</u> | <u>10,998</u> | <u>7,447</u> |
| | <u>\$ 585,733</u> | <u>\$ 585,956</u> | <u>\$ 538,406</u> |

13. Expenses by object

The following is a summary of expenses by object:

| | <u>2013</u> <u>Budget</u> | <u>2013</u> <u>Actual</u> | <u>2012</u> <u>Actual</u> |
|--|------------------------------|------------------------------|------------------------------|
| Advertising and promotion | \$ 11,500 | \$ 8,707 | \$ 12,731 |
| Amortization | 282,000 | 283,267 | 293,140 |
| Bad debts | - | - | 4,390 |
| Bank charges | 36,500 | 35,529 | 39,448 |
| Building maintenance | 98,000 | 68,958 | 89,925 |
| Course maintenance | 70,000 | 70,017 | 47,644 |
| Equipment maintenance | 69,950 | 80,551 | 67,514 |
| Fuel | 80,000 | 66,310 | 72,012 |
| Heat, light and telephone | 147,500 | 141,698 | 137,955 |
| Honoraria | 4,000 | - | 630 |
| Insurance | 66,000 | 63,780 | 63,411 |
| Interest on capital lease obligations | 11,116 | 11,466 | 13,761 |
| Loss on disposal of tangible capital assets | - | 341 | 2,593 |
| Miscellaneous | 6,000 | 12,785 | 8,642 |
| Office | 14,000 | 12,615 | 12,941 |
| Professional fees | 31,000 | 26,692 | 28,814 |
| Salaries and employee benefits | 1,707,000 | 1,602,036 | 1,652,819 |
| Supplies | 45,000 | 32,394 | 40,014 |
| Training | 1,000 | 1,040 | 692 |
| Travel | 1,800 | 1,725 | 2,021 |
| | <u>\$ 2,682,366</u> | <u>\$ 2,519,911</u> | <u>\$ 2,591,097</u> |

C.A. PIPPY PARK COMMISSION
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14. Contractual obligations

A vehicle has been leased by the Commission. Minimum lease payments over the remaining term of the lease are as follows:

| | |
|------|-----------------|
| 2014 | \$ 5,722 |
| 2015 | <u>1,430</u> |
| | <u>\$ 7,152</u> |

15. Financial risk management

The Commission recognizes the importance of managing risks and this includes policies, procedures and oversight designed to reduce risks identified to an appropriate threshold. The risks that the Commission is exposed to through its financial instruments are credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Commission's main credit risk relates to cash and accounts receivable. The Commission's maximum exposure to credit risk is the carrying amounts of these financial instruments. The Commission is not exposed to significant credit risk with its cash because this financial instrument is held with a Chartered Bank. Also, it is not exposed to significant credit risk related to the harmonized sales tax receivable due to its nature. The Commission is exposed to credit risk related to its trade accounts receivable. Any estimated impairment of accounts receivable has been provided for through an allowance.

Liquidity risk

Liquidity risk is the risk that the Commission will be unable to meet its financial liabilities and contractual obligations. The Commission's exposure to liquidity risk relates mainly to its accounts payable and accrued liabilities, its obligations under capital leases as disclosed in Note 5, and its contractual obligations as disclosed in Note 14. The Commission manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its financial liabilities.

15. Financial risk management (cont.)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency (foreign exchange) risk, interest rate risk and other price risk. The Commission is not exposed to significant foreign exchange or other price risk. In addition, the Commission is not exposed to interest rate risk on the obligations under capital leases as the interest rates are fixed to maturity.

16. Comparative figures

Certain comparative figures as at March 31, 2012, have been reclassified to conform to current year's presentation.

17. Budgeted figures

Budgeted figures have been provided for comparison purposes and have been derived from estimates approved by the Board of Directors of the Commission.

18. Non-financial assets

The recognition and measurement of non-financial assets is based on their service potential. These assets will not provide resources to discharge liabilities of the Commission. For non-financial assets, the future economic benefit consists of their capacity to render service to further the Commission's objectives.